

## **Other Related Documents**

Whenever possible, reference to other related documents is included in each chapter. You may want to review some or all of the documents listed below:

- *USF System Guide*
- *USF Data Collection Instructions*
- *USF Data Collection Form*
- *USF Loop Count Guide*
- *USF Loop Cost Algorithm*
- *Settlement Systems Full-Screen User Manual*

## **Updating This Guide**

You may periodically receive updated sections to this guide and other related data collection materials. These updates are sent to you so that you will always have the most current information. All updates should be inserted into the appropriate section of the guide.

## Contact Information

If you have questions about the FCC requirements, submitting data, using the USF System, or other pertinent topics, contact the NECA representative for your company's region. The following chart provides the name and telephone number of each NECA Regional Coordinator and Regional Director.

| Region              | Coordinator/Director               | Telephone #    |
|---------------------|------------------------------------|----------------|
| Eastern             | Ed Andersen                        | 1-800-228-8398 |
| Southern            | Azita Sparano/Ellen Bryson         | 1-800-223-7751 |
| Midwest             | Ralph Pollpeter/John Boehm         | 1-800-323-4953 |
| Southwest           | Ken McGann/Pat Milburn             | 1-800-351-9033 |
| Pacific             | Rosalinn Swanson/<br>Larry Sampson | 1-800-223-8495 |
| Western<br>(Denver) | Carol Soss/<br>Don Jackson         | 1-800-892-3322 |
| Western<br>(Omaha)  | Larry Stevens/<br>Tim Dupic        | 1-800-228-0180 |

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# *The Data Collection Process*

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## **Chapter 2**

# **The Data Collection Process**

Exchange Carriers that settle on a cost basis are required by FCC rules to provide account data to the National Exchange Carrier Association (NECA). Data is submitted through an annual data collection process that results in the calculation of the national average cost per loop. Funds are distributed to Exchange Carriers with loop costs exceeding 115% of the national average.

Exchange Carriers, NECA Regional Coordinators, and NECA Headquarters Staff all participate in the data collection process. Each group has specific responsibilities that must be completed on schedule to comply with the FCC requirements.

### **About This Chapter**

The following topics are discussed in this chapter.

- Responsibilities of Exchange Carriers
- The online data submission process
- The manual data submission process
- Communicating with NECA Regional Coordinators

## Exchange Carrier Responsibilities

NECA Regional Coordinators initiate the data collection process by sending Exchange Carriers a USF Data Collection Form. Exchange Carriers use the form to consolidate information from their accounting records. A review period is allocated in the data collection process for Exchange Carriers to study the data form and gather the necessary information. Instructions are provided for transferring account data to the USF Data Collection Form.

The data collection process follows a specific schedule. Exchange Carriers are involved in the process for a very brief period. The following chart shows a general schedule of the events significant to Exchange Carriers.

| Activity  | Due On    |
|---|-----------|
| ECs receive USF Data Collection Form                              | June 1    |
| ECs submit data either online or manually                         | August 2  |
| EC data compiled and filed with FCC and State Commissions by NECA | October 1 |
| USF payment commences for eligible ECs                            | January 1 |

**Note:** You will receive a complete calendar of annual and voluntary update activities each year with the *USF Data Collection Instructions*.

## Online Data Entry

Exchange Carrier data may be submitted online using the USF System.

Refer to Chapter 3, "Online Data Submission," for more information about submitting data online. Also, the *USF System Guide* contains data entry procedures.

## Selecting Primary Submitters

Prior to the data collection process, Exchange Carriers select an employee or a consultant to act as the Primary Submitter who is responsible for:

- Collecting Exchange Carrier data
- Submitting Exchange Carrier data
- Communicating with the NECA Regional Coordinator

**Note:** Emergency Submitters may be established upon request of the NECA Regional Coordinator. After an Emergency Submitter has been established, all functions of the Primary Submitter may only be performed by the Emergency Submitter.

## Defining System Periods

Exchange Carriers, NECA Regional Coordinators, and NECA Headquarters Staff can access the USF System only during certain system periods. For example, when Exchange Carriers and NECA Regional Coordinators can input and validate data, NECA Headquarters Staff cannot access the data. Once the data is officially submitted to NECA, however, Exchange Carriers can no longer access the information. Later in the process, both NECA Regional Coordinators and Exchange Carriers are restricted; then only NECA Headquarters Staff have direct access to the data.

Usually, the USF System periods are defined by the entities who can or cannot access information. The following chart identifies the entities who have access to Exchange Carrier data during each system period.

| System Period          | EC Data Accessible To                            |
|------------------------|--|
| System Open            | Exchange Carriers and NECA Regional Coordinators |
| Lock Exchange Carriers | NECA Regional Coordinators                       |
| Lock Region            | NECA Headquarters Staff                          |

## **EC Responsibilities by System Period**

The following chart summarizes the functions that can be performed by Exchange Carriers during the System Open and Lock Exchange Change Carriers periods.

| If The System Period Is | Exchange Carriers Can   |
|-------------------------|---|
| System Open             | <ul style="list-style-type: none"><li>• Add, change, delete, and view data online</li><li>• Input comments for out-of-range variances shown on the USF2010 Loop Analysis Report</li><li>• Release or Special Release data</li></ul> |
| Lock Exchange Carriers  | <ul style="list-style-type: none"><li>• Communicate to NECA Regional Coordinator any changes to data submissions</li></ul>  |

If data entry is not completed before the Lock Exchange Carriers period, a manual USF Data Collection Form must be submitted to the NECA Regional Coordinator. Any changes to data or comments after the Lock Exchange Carriers period must also be submitted to the NECA Regional Coordinator on these forms.



## **Manual Data Submission**

USF Data Collection Forms must be completed by Exchange Carriers

## **Communicating With NECA**

NECA Regional Coordinators oversee the data collection process and must ensure that Exchange Carriers submit complete and accurate data and comply with the time schedule.

After the Lock Exchange Carriers period, NECA Regional Coordinators may request additional information to complete the data collection process. Likewise, Exchange Carriers with concerns about the accuracy of submitted data, should immediately contact their NECA Regional Coordinators to help rectify the situation. Refer to Chapter 4, "Post Lock Change Requests" for additional information.

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# *Online Data Submission*

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Chapter 2

**For a complete listing of soft edits and descriptions, refer to the USE**

## Scrubbing Data

Scrubbing data is the process of analyzing the data lines identified on the USF2010 Loop Analysis Report as being out of the normal range. The data scrub process begins when the report is generated and range validation takes place.

## Using the USF2010 Loop Analysis Report

This report performs an analysis of all entered data against standards established for Exchange Carriers of similar size.

Before submitted data can be released, the USF2010 Loop Analysis Report must be generated. Some of the lines on this report may be marked with an asterisk (\*) in the **SEE NOTE** column to identify data that falls outside of the established range.

Additional information is provided about the out-of-range items on the third page of this report. The component data line amounts comparing the last collection, and the previous year's collection for the same period (for Voluntary Update periods, the current year end is compared to the most recent annual year end), are also provided to illustrate the out-of-range condition. A valid business reason for the data line value must be supplied for each report line marked with an asterisk.

The USF2010 Comment Input Screen is used to enter data line comments. Each comment must briefly explain the reason for the data line value change. An example of a comment is, "Due to excessive storm damage, extraordinary expenses were incurred for maintenance, and cable and wire facilities."

## **Validating Range Variances**

The data used to range validate Exchange Carrier data is the most current data (Latest View) available. Current data is checked for variations against the Latest View of data from the prior year's like-period data submission (for Voluntary Update periods, the current year end is compared to the most recent annual year end). Range validations are established to determine what data is to be reviewed and verified.

For a complete listing of range variations, refer to the Range Validation Matrix at the end of this chapter.

## **Releasing & Special Releasing Data**

Exchange Carrier data must be released or special released before the inception of the Lock Exchange Carriers period. A [normal] Release is required when all lines of the USF2010 Loop Analysis Report pass the range tests. A Special Release is required when one or more data lines on the USF2010 Loop Analysis Report fail the range validation.

When Exchange Carrier data is Released or Special Released, the data is accepted into the system as a valid data submission. NECA Regional Coordinator and NECA Headquarters Staff have access to Exchange Carrier data after release.

If the submission is not Released or Special Released before the Lock Exchange Carriers period begins, a manual USF Data Collection Form must be submitted to the Regional Coordinator. Refer to Chapter 4, "Manual Data Submission" for additional information.

## **Changing Released Data**

During the data collection process, released data may need to be changed. For example, if a data value was entered incorrectly on the USF Input Screen, valid information should be entered. The procedures for changing released data varies depending on the locked or unlocked status of the period. A description of changing data during both periods follows.

### **Before Lock Exchange Carriers**

Released data may be changed by Exchange Carriers at any time during the period of System Open until Lock Exchange Carriers. To change released data during this period, simply access the USF Input Screen and enter the required changes. After changes are entered and the appropriate edits are completed, the data must once again be scrubbed using the USF2010 Loop Analysis Report and then Released or Special Released.

### **After Lock Exchange Carriers**

After the Lock Exchange Carriers period, Exchange Carriers can view but not change released data. If any changes are required, a change request must be submitted to the NECA Regional Coordinator.



## **Performing Further Analysis**

NECA's analysis of USF data is not limited to out-of-range variances shown on the USF2010 Loop Analysis Report. Other reports are used to compare the:

- USF data to similar data on the ARMIS Report (for Tier 1 companies)
- Number of loops in USF to the access lines reported to the NECA Pool (for companies in the CL Pool)
- Impact of a specific company's data on the National Average Cost Per Loop
- Change in a specific company's expense adjustment amount period-to-period.

Other custom processes may be used at times to identify companies where data will be looked at in detail. The process may include, but not be limited to such items as:

- Largest Dollar Change in Cost Per Loop
- Largest % Change in Cost Per Loop
- Largest Dollar Change in Revenue Requirement
- Largest % Dollar Change in Revenue Requirement
- Highest Cost Per Loop in a State
- Highest Cost Per Loop in Sub-Set

**Note:** If any of these methods are employed to further analyze your company's data, your NECA Regional Coordinator will contact you for additional information.

## Hard and Soft Edit Description Table

The following table identifies the USF hard and soft edits for all applicable data lines.

| DATA LINE | DESCRIPTION          | HARD* EDIT   | SOFT** EDIT |
|-----------|----------------------|--|-------------|
| 060       | Total Loops          |  |             |
| 070       | CAT. 1.3 Loops       | Must contain a positive value > 0<br>Value cannot be > DL060 |             |
| 080       | Reserved             | Reserved   | Reserved    |
| 160       | Account 2001         | Must contain a positive value > 0                            |             |
| 170       | Account 1220         |  |             |
| 190       | Account 3100         | Cannot be > DL160  |             |
| 195       | Account 3400         | Cannot be = to or > DL160                                    |             |
| 200       | Reserved             | Reserved   | Reserved    |
| 205       | Reserved             | Reserved   | Reserved    |
| 210       | Account 4340         | Cannot be = to or > DL160                                    |             |
| 220       | Net Plant Investment | Must = the sum of (DL160 + DL1-70) - (DL190 + DL195 + DL210) |             |
| 230       | Account 2210         | Cannot be = to or > DL160                                    |             |
| 235       | Account 2220         | Cannot be = to or > DL160                                    |             |

\*All Data Lines Must be Numeric    \*\*All Data Lines Should Be Positive

| DATA LINE | DESCRIPTION               | HARD* EDIT  | SOFT** EDIT           |
|-----------|---------------------------|---|-----------------------|
| 240       | Account 2230              | Cannot be = to or > DL160   |                       |
| 245       | Sum Of Lines 230 Thru 240 | Must = the sum of DL230 + DL235 + DL240<br>Cannot be = to or > DL160          |                       |
| 250       | Ckt Equip Cat 4.13        | Cannot be > than DL245<br>Cannot be = to or > DL160<br>Cannot be > than DL240 | Should not be = DL240 |
| 255       | Account 2410              | Cannot be = to or > DL160   |                       |
| 260       | Account 3100 (2210)       |   | Should not be > DL230 |
| 265       | Account 3100 (2220)       |   | Should not be > DL235 |
| 270       | Account 3100 (2230)       |   | Should not be > DL240 |
| 275       | Sum of Lines 260 thru 270 |   | Should not be > DL245 |
| 280       | Account 3100 (2410)       |   | Should not be > DL255 |
| 285       | Reserved                  | Reserved  | Reserved              |
| 290       | Reserved                  | Reserved  | Reserved              |
| 295       | Reserved                  | Reserved  | Reserved              |
| 300       | Reserved                  | Reserved  | Reserved              |

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| DATA LINE | DESCRIPTION              | HARD* EDIT                              | SOFT** EDIT               |
|-----------|--------------------------|---|---------------------------|
| 305       | Reserved                 | Reserved                                | Reserved                  |
| 310       | Account 4340 (2210)      |   | Should not be > DL230     |
| 315       | Account 4340 (2220)      |   | Should not be > DL235     |
| 320       | Account 4340 (2230)      |   | Should not be > DL240     |
| 325       | Account 4340 (2210-2230) | Must = the sum of DL310 + DL315 + DL320 |                           |
| 330       | Account 4340 (2410)      |   | Should not be > DL255     |
| 335       | Account 6110 Total       |   | Should be > DL340 + DL345 |
| 340       | Account 6110 Benefits    |   |                           |
| 345       | Account 6110 Rents       |   |                           |
| 350       | Account 6120 Total       |   | Should be > DL355 + DL360 |
| 355       | Account 6120 Benefits    |   |                           |
| 360       | Account 6120 Rents       |   |                           |
| 365       | Account 6210 Total       |   | Should be > DL370 + DL375 |

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| DATA LINE | DESCRIPTION                  | HARD*<br>EDIT                           | SOFT**<br>EDIT                 |
|-----------|------------------------------|---|--------------------------------|
| 370       | Account 6210 Benefits        |   |                                |
| 375       | Account 6210 Rents           |   |                                |
| 380       | Account 6220 Total           |   | Should be > DL385 + DL390      |
| 385       | Account 6220 Benefits        |   |                                |
| 390       | Account 6220 Rents           |   |                                |
| 395       | Account 6230 Total           |   | Should be > DL400 + DL405      |
| 400       | Account 6230 Benefits        |   |                                |
| 405       | Account 6230 Rents           |   |                                |
| 410       | Central Office Expense Total | Must = the sum of DL365 + DL380 + DL395 |                                |
| 415       | Reserved                     | Reserved                                | Reserved                       |
| 420       | Reserved                     | Reserved                                | Reserved                       |
| 425       | Reserved                     | Reserved                                | Reserved                       |
| 430       | Account 6410 Total           |   | Should be > than DL435 + DL440 |

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| DATA LINE | DESCRIPTION                       | HARD*<br>EDIT   | SOFT**<br>EDIT                   |
|-----------|-----------------------------------|---|----------------------------------|
| 435       | Account 6410 Bene-<br>fits        |   |                                  |
| 440       | Account 6410 Rents                |   |                                  |
| 445       | Plant Specific Expe-<br>nse Total | Must = the sum of (D-<br>L335 + DL350 + DL365<br>+<br>DL380 + DL395 + DL-<br>430) |                                  |
| 450       | Account 6530 Total                |   |                                  |
| 455       | Account 6530 Bene-<br>fits        |   | Should not be = to or<br>> DL450 |
| 465       | Reserved                          | Reserved  | Reserved                         |
| 470       | Reserved                          | Reserved  | Reserved                         |
| 480       | Reserved                          | Reserved  | Reserved                         |
| 485       | Reserved                          | Reserved  | Reserved                         |
| 500       | Reserved                          | Reserved  | Reserved                         |
| 505       | Reserved                          | Reserved  | Reserved                         |
| 510       | Account 6560 (2210)               | Must be < DL230   |                                  |
| 515       | Account 6560 (2220)               | Must be < DL235   |                                  |

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| DATA<br>LINE | DESCRIPTION         | HARD*<br>EDIT        | SOFT**<br>EDIT |
|--------------|---------------------|----------------------|----------------|
| 520          | Account 6560 (2230) | Must be < DL240      |                |
| 525          | Account 6560 (2210- | Must be = to the sum |                |

| DATA LINE | DESCRIPTION                      | HARD*<br>EDIT                          | SOFT**<br>EDIT        |
|-----------|----------------------------------|--|-----------------------|
| 650       | Account 7200 Other Taxes         |  |                       |
| 655       | Reserved                         | Reserved                               | Reserved              |
| 700       | 2410 (Cost Study Total CWF - AV) |  | Should be < DL255     |
| 710       | 2410 (Cost Study CWF - Cat. 1)   | Cannot be > DL700                      |                       |
| 800       | Account 2680 Total               | Cannot be = to or > DL160              |                       |
| 805       | Account 2680 (2230)              | Cannot be > DL160<br>Cannot be > DL800 |                       |
| 810       | Account 2680 (Cat. 4.13)         | Cannot be > DL805                      |                       |
| 815       | Acc 2680 (2410) Total CWF        | Cannot be > DL160<br>Cannot be > DL800 |                       |
| 820       | Acc 2680 (2410) CWF - Cat1       | Cannot be > DL815                      |                       |
| 830       | Account 6560 (2680)              |  | Should not be > DL800 |

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## **Range Validation Matrix**

The following charts provide the range variances used by the USF System to validate Exchange Carrier data.